

# THE INFLUENCE OF HUMAN RESOURCE MANAGEMENT PRACTICES AND CAREER STRATEGY ON CAREER SATISFACTION OF INSURANCE AGENTS

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## ABSTRACT

This paper examined individual perceptions of organizational human resource management (HRM) practices and career strategies that influence career satisfaction. This study also proposed that career strategy would mediate the relationship between HRM practices and career satisfaction. Data was gathered through questionnaires from insurance agents ( $n = 531$ ) located in the Northern States of Peninsular Malaysia. Hierarchical multiple regression analysis revealed that HRM practices (training and development, and compensation) and career strategy were positively correlated to career satisfaction. Results also provided partial support for the mediating role of career strategy on the relationship between HRM practices (training and development, and compensation) and career satisfaction. The findings of this study have the potential to provide ideas to the examined insurance companies in order for them to assert more efforts to improve the availability and effectiveness of their training and development programs, and design more attractive compensation packages for their employees.

**Keywords:** Compensation, Performance Appraisal, Training and Development, Career Strategy, Career Satisfaction

## 1. INTRODUCTION

Following the worldwide financial crisis and greater competitiveness of global business, most of the organizations in Malaysia are constantly engaged in major work force reductions in an attempt to cut down the costs of human capital and become more competitive in the business world. Simonetti (1999) stated that strategic downsizing, especially cutting labor costs, is a common action that would be implemented by the organizations facing the trauma of economic downturn, since this action could assist organizations in increasing profitability in the short term. Although this action is effective in increasing an organization's financial performance, it is very difficult to uphold employees' career satisfaction. Once organizations reduce jobs, decrease the amount of compensation, restrict the funds to be invested in training

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and development programs and other human resource management activities, employees may descend into states of negative emotion such as dissatisfaction, depression, and hopelessness because they are losing their benefits, which in turn can entirely jeopardize their career achievement. Employees thus need to take initiatives and explore ways to better manage their career, rather than to rely on organizational support because of limited organizational resources. Hence, adopting prudent strategies such as networking and seeking for career guidance are employees' primary actions since these strategies provide a platform for employees to obtain useful information and resources for developmental purposes.

However, to date, there has been little empirical attention in examining the link between HRM practices and employees career strategies for success. There is a gap in the literature since previous studies have focused exclusively on job-related factors such as job security, career prospects, fairness and flexible work (Armstrong-Stassen & Cameron, 2005; Counsell, 1996; Eddleston, Baldrige & Veiga, 2004; Mayrhofer, Meyer, Iellatchitch & Schiffinger, 2004; Nabi, 1999; 2001; 2003) as predictors influencing employee career satisfaction. Individual perceptions of the organizational-related factors, particularly HRM practices (such as compensation, performance appraisal, and training and development) have received less attention. Furthermore, some of the researchers (Behery & Paton, 2008; Carlson, Upton & Seaman, 2006; Chang & Chen, 2002; Corley, 2005; Delaney & Huselid, 1996) were more likely to correlate HRM practices with organizational performance rather than individual career outcome. Besides, the studies (Armstrong-Stassen & Cameron, 2005; Poon, 2004) that linked HRM practices to career satisfaction only focused on the direct relationship by not testing any mediating hypotheses, and were also limited to certain samples, such as administrative and technical staff in the public sector (Gould & Penley, 1984; Nabi, 2003); university post-graduate students (Lau & Pang, 2000; Mayrhofer, Meyer, Schiffinger & Schmidt, 2008; Poon, 2004); managers of manufacturing companies (Tu, Forret & Sullivan, 2006); and managerial staff of financial institutions (Burke, Koyuncu & Fiksenbaum, 2006; Van Emmerik, Euwerna, Geschiere & Schouten, 2006). A minimal amount of research has explored the influence of HRM practices and career strategy, particularly on insurance agent career satisfaction. Therefore, there is a gap in the literature that needs to be filled, since insurance agents are found to be highly involved in stressful career situations as their jobs become more challenging.

The latest statistics announced by the Central Bank of Malaysia has shown that the total number of insurance agents increased from 116,008 in 2009 to 118,783 in 2011 (Annual insurance statistics 2011, 2012). In addition to that, the latest statistics announced by the Life Insurance Association of Malaysia (LIAM), as of February 2012, the Malaysian new life insurance business declined six percent in 2011 (from RM8.42 billion in 2010 to 7.92 billion in 2011) (Annual report 2011, 2012). The growing number of insurance agents signifies that the competitiveness of Malaysian insurance businesses has become more intense, since many agents are competing in the same area of business. From the latest survey carried out by PayScale Malaysia (August 22, 2012), it indicated that insurance agents who have four years or less working experience received less than RM20,000 as their annual salary. This denotes that high competitiveness in the insurance industries has increased the difficulty for insurance agents to get business opportunities, which directly affected their income and probability of

career achievement. Hence, insurance agents might find it increasingly difficult to secure their career as they are struggling for the attainment of career satisfaction. Therefore, strengthening career satisfaction is a critical issue for today's Malaysian insurance agents.

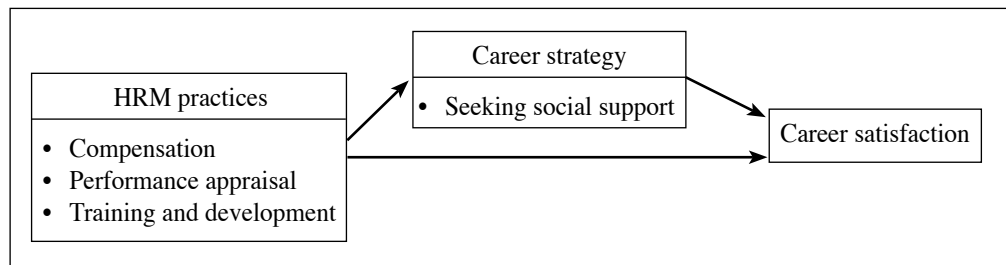
In light of the above details, this study is conducted based on two research objectives, as follows:

- (1) To examine the influence of HRM practices on career strategy and career satisfaction.
- (2) To determine the mediating role of career strategy on the relationship between HRM practices and career satisfaction.

## 2. RESEARCH FRAMEWORK

Figure 1 depicts the proposed research framework that is to be examined in this study. The framework contains three constructs, namely HRM practices, career strategy and career satisfaction. The proposed framework is an adaptation of the integrated model of proactive behavior (Barnett & Bradley, 2007; Crant, 2000). Part of the integrated model of proactive behavior posits that organizational career development support exposes employees to career-relevant activities that influence the achievement of career satisfaction. The current research framework predicts that employee perceptions of organizational HRM practices will influence them to seek social support as a strategy to enhance their career satisfaction. The framework posits that (1) perceptions of organizational HRM practices are positively correlated to seeking social support and career satisfaction; (2) seeking social support mediates the relationship between perceptions of organizational HRM practices and career satisfaction.

**Figure 1:** Research framework of the relationship between HRM practices, career strategy and career satisfaction



## 3. CAREER SATISFACTION

Generally, career satisfaction refers to an individual's feeling and perception of their own career achievement with reference to self-determined standards (Bozionelos, 2008; Nabi, 2001). Recent studies (Barnett & Bradley, 2007; Hofman, Dries & Pepermans, 2008) found that the level of income, status and promotion that was used to determine an individual's career achievement appeared to be less relevant once employees achieved a certain level of compensation. What is important to them is the personal satisfaction derived from their

careers. The change in focus to career satisfaction is understandable because the criterion for satisfaction is more related to an individual's inner feeling of happiness. Since every individual will have their own measure of achievement and aspiration of what they want to attain, which is different from others' needs for achievement, subjective measures that stress on self-evaluation of intrinsic (happiness and interpersonal success) fulfilment are perceived as important concepts that can truly reflect career self-satisfaction.

#### **4. HRM PRACTICES**

At the organization level, HRM practices have been identified as a source of business revenues (Mathis & Jackson, 2004). This is because HRM practices such as compensation (offer attractive rewards to attract and retain skilled manpower), performance appraisal (determine employee's strengths and weaknesses), and training and development (train potential employees to undertake higher-grade tasks) have been considered as the foundation strategies to ensure an organization has a group of talented employees that can aid in increasing organizational productivity. However, from the employees' perspective, HRM practices are recognized as an organizational effort in supporting their career development (Armstrong-Stassen & Cameron, 2005). This is because most of the employees have assumed that it is the organization's obligations to design a wide range of HRM activities to assist them in performing their job effectively, such as rewarding their contribution in work. Studies (Armstrong-Stassen & Cameron, 2005; Khilji & Wang, 2007) indicated that an employee's career satisfaction depended on their perception of the organization's effort in supporting their career development needs. If employees perceived that an organization did not value their contribution and showed little concern for their developmental needs, they may become dissatisfied.

##### **4.1. Compensation**

Compensation is the total financial or non-financial rewards payable to an employee in return for their services (Milkovich, Newman & Gerhart, 2011). The rewards are usually compensated based on the value of job, level of personal contribution, efforts, and performance (Milkovich et al., 2011). The Malaysian Employment Act 1955 states that one of the most important employers' implied obligations to an employee is the payment of equitable benefits, wages and salaries (Mumtaz & Harlida, 2003). Therefore, it has become a vital responsibility for every employer to reward employees for their contributions to the organization in a fair and equitable manner. Employers can be accused under the Employment Act 1955 or Section 17(2) of the Industrial Relation Act 1967, if the employer doesn't treat the employees equally (Ganapathy, 2002). Thus, a major issue in compensation is equity in pay (that is, fair pay treatment for employees). Studies by Uen and Chien (2004) and Suliman (2007) revealed that an employee's perception of compensation may influence an employee's satisfaction at the workplace. Satisfaction towards the career may increase if employees feel they are fairly compensated as compared to what they have invested in the job or contributed to the organization.

#### **4.2. Performance appraisal**

Performance appraisal is a formal system used by organizations to periodically evaluate an employee's performance (Dessler, 2011). Specifically, performance appraisal is the process of evaluating how well employees do their tasks as compared to a set of standards or organizational expectations. Through performance appraisal processes, employees may be aware of their level of performance and realize their weaknesses, which can prompt valuable feedback or guidance from supervisors, and enable necessary actions to be taken to improve performance. Therefore, performance appraisal needs to be done periodically for the purpose of human capital development. The results from the performance appraisal may facilitate top management decisions in compensation allocation, promotion, termination, transfers, recognition awards, and training opportunities that can influence employees' career satisfaction. However, performance appraisal can also be a source of frustration for employees due to the unfairness of the performance appraisal processes (Lau & Sholihin, 2005). Common appraisal errors such as personal biases will prevent employees from being included in the promotion lists, and they will subsequently experience less career advancement opportunities and satisfaction at work. Employees are likely to perceive the appraisal process as being fair if they are accurately rated against the performance standards and just actions are taken in accordance with the evidence of appraisal.

#### **4.3. Training and development**

Training and development are the formal activities designed by organizations to help employees acquire the necessary skills and knowledge to perform current or future jobs (Desimone, Werner & Harris, 2002). Training and development has been considered as one of the crucial activities of human capital development (Desimone et al., 2002). This is because training and development activities such as on-the-job training, mentoring, coaching, and counseling are important activities for employees to get valuable support, knowledge, skills and abilities that may enhance their employability and marketability in an organization. Thus, training and development play an important role in the career satisfaction of an employee in their later career lives.

### **5. CAREER STRATEGY**

Career strategy is the action that individuals take to decrease the time required to meet their career objectives (Gould & Penley, 1984). These actions will be implemented when individuals intend to manipulate their career situation in the course of achieving career satisfaction. Previous research (Gould & Penley, 1984; Chang, 2002) indicated that the usefulness of a particular career strategy depends on the type of job and the nature of the work. For instance, employees who work in a service-oriented industry, especially insurance agents, should engage in networking strategies by developing good interpersonal relations with significant people (i.e., superiors, immediate supervisors, colleagues, customers and suppliers) within and outside the company. Insurance agents need such relationships to open up more business opportunities, since their job outcome is solely determined by their sales productivity (Lee, 1986). It has become very important for insurance agents to develop different networks of contacts in order to keep up a good sales performance, as they are compensated based on the

sales commission with no basic salary being paid to them. Given such compensation practices, undoubtedly, most insurance agents are constantly involved in relationship-oriented strategies. According to Gould and Penley (1984), the relationship-oriented strategy consists of two types, namely networking and seeking career guidance. Those strategies are also referred to alternatively as seeking social support. Seeking social support is the strategy in which employees obtain career support, information and advice from experienced people or from a group of relevant friends, either inside or outside the organization. If employees employ this strategy, they can easily slot themselves into the information network, ultimately getting more business opportunities, information, feedback and deep emotional support from a group of significant people, which will in turn promote their career satisfaction.

## **6. HRM PRACTICES, CAREER STRATEGY AND CAREER SATISFACTION**

The integrated model of proactive behavior proposed that employees' perceptions of organizational career development support (HRM practices) will stimulate them to engage in career-related behaviors, such as developing and implementing strategies that benefit their career development, and consequently career satisfaction (Barnett & Bradley, 2007; Crant, 2000). This line of thinking concurs with the study by Bozionelos (2003) and Nabi (2003), who discovered that organizational sponsorship (availability of training and development opportunities, equitability of compensation and performance appraisal) exerts a positive influence on the use of career strategies to help employees gain desirable career promotion that would ultimately lead to the attainment of higher levels of career satisfaction. In this context, employees' perceptions of an organization's HRM practices will send positive signals on the extent to which the organization is willing to take care of their well-being. If employees feel threatened by the lack of organizational support they are less likely to use career strategies that fulfill the organization's career development plans. The reason being, that employees are less likely to perceive any value in doing so, since the organization is not concerned with their career benefits. According to Greenhaus and Callanan (1994), the use of career strategies can act as an indicator of employees' career satisfaction, and this is largely influenced by the organizational career development support, that is, employees' perception of organizational HRM practices.

## **7. METHOD**

### **7.1. Respondents**

The sample of this study consists of 531 full-time insurance agents located in the Northern states of Peninsular Malaysia who have had a minimum of two years of employment, based on the suggestion by Bozionelos (2003). This suggestion concurs with the nature of insurance jobs. Generally, insurance agents require about two years for a stable career path. It was decided that the study concentrates only on insurance agents based in the northern regions of Malaysia because all insurance agents in Malaysia have to follow a similar path in their career; whereby all of them have to attend pre-qualified examinations, receive similar compensation packages, comply with insurance agents' code of ethics and conduct, and policies set by Central Bank of Malaysia. Additionally, in order to get promotion, they also need to fulfill several requirements (e.g. sales volume, number of down-line agents, and

number of cases handled), set by their respective insurance companies with the approval of Central Bank of Malaysia.

Since most of the insurance companies were unable to reveal the number of insurance agents, disproportionate sampling was utilized by equally dividing the number of questionnaires, which were 25 sets for each of the 30 participating branches (750 sets of questionnaires were distributed). The response rate was 70.8% (531). The respondents included 312 men and 219 women. Most of the respondents were married (71.6%), and the majority of the respondents' age ranged between 26 – 43 years old (58.1%). In terms of educational achievement, 233 respondents (43.9%) had an SPM certificate, while 133 respondents (25.0%) were Diploma holders. Besides that, 271 of the respondents (51.0%) were Life and General insurance agents. A majority of the respondents (44.6%) indicated that they have worked in their current insurance company between 2 to 5 years.

## 7.2. Measurements

Questions regarding career satisfaction were measured using items developed by Greenhaus, Parasuraman, and Wormley (1990). These items are the most widely-used with a consistently high reliability result of 0.88 in previous empirical studies (Abele & Spurk, 2009; Ballout, 2008; Nabi, 2001; 2003). Meanwhile, the strategy of seeking social support was measured using five items from Gould and Penley (1984). However, items developed by Bigliardi, Petroni, and Dormio (2005), Delery and Doty (1996), Tsui, Pearce, and Tripoli (1997) were adapted for the measurement of compensation, performance appraisal, and training and development. Each item was measured from a Likert range of 1=strongly disagree to 5=strongly agree.

## 8. RESULTS

**Table 1:** Mean, Standard Deviation, and Correlation of Study Variables

| Variables                   | $\alpha$ | M    | SD  | 1     | 2     | 3     | 4     | 5 |
|-----------------------------|----------|------|-----|-------|-------|-------|-------|---|
| 1. Training and development | .86      | 4.01 | .64 | -     |       |       |       |   |
| 2. Performance appraisal    | .79      | 4.02 | .57 | .56** | -     |       |       |   |
| 3. Compensation             | .71      | 3.78 | .71 | .34** | .41** | -     |       |   |
| 4. Seeking social support   | .80      | 3.73 | .65 | .37** | .40** | .27** | -     |   |
| 5. Career satisfaction      | .89      | 3.53 | .74 | .25** | .19** | .34** | .29** | - |

*Notes:* n=531; \*\*p < .01

Mean, standard deviation, and Pearson correlations between the study variables are shown in Table 1. There was a moderately weak relationship between compensation, training and development, performance appraisal, seeking social support and career satisfaction. Besides, the reliability results showed that the overall Cronbach's  $\alpha$  values for training and development, performance appraisal, compensation, and seeking social support were at .86, .79, .71 and .80, respectively. In addition to that, the dependent variable, namely career satisfaction, had a good reliability coefficient of .89.

The research framework (Figure 1) proposed that career strategy (i.e., seeking social support) would mediate the relationship between HRM practices and career satisfaction. To determine such relationships, three regression conditions should be met as suggested by Baron and Kenny (1986). The first condition requires the independent variables (training and development, performance appraisal and compensation) to correlate with the dependent variable (career satisfaction). Regression results as depicted in Table 2 showed that training and development ( $\beta = .17, p < .01$ ) and compensation ( $\beta = .26, p < .01$ ) were positively correlated with career satisfaction. Meanwhile, performance appraisal was not significant in predicting career satisfaction, and thus exempted from the mediating analysis. The second condition requires the independent variables to be related with the mediating variable (seeking social support). Table 2 indicated that all dimensions of HRM practices, namely training and development ( $\beta = .21, p < .01$ ), performance appraisal ( $\beta = .24, p < .01$ ), and compensation ( $\beta = .11, p < .05$ ) were positively regressed on seeking social support. In the third condition, the dependent variable (career satisfaction) is required to be correlated with the mediator (seeking social support) and independent variables (training and development, and compensation).

As indicated by Baron and Kenny (1986), to determine the mediation effect of seeking social support on the relationship between training and development, compensation and career satisfaction, the mediator should completely intervene the relationship between the independent and dependent variables, that is, there should be a non-significant relationship. Partial mediation will be established when mediator cannot fully intervene in the relationship between the independent and dependent variables, that is, implying a reduction in the relationship between the independent and dependent variables (Baron & Kenny, 1986). As shown in Table 2, the influence of training and development ( $\beta = .09, p < .05$ ), and compensation ( $\beta = .22, p < .01$ ) on career satisfaction decreased respectively in the presence of seeking social support as the mediator. Therefore, seeking social support partially mediates the relationship between training and development, compensation and career satisfaction.

**Table 2:** Regression Results using ‘Seeking Social Support’ as Mediator in the Relationship between Dimensions of HRM Practices and Career Satisfaction

| Predictors                    | Std. $\beta$<br>X→M | Std. $\beta$<br>X→Y | Std. $\beta$<br>X→M→Y |
|-------------------------------|---------------------|---------------------|-----------------------|
| X1 = Training and development | .21**               | .17**               | .09*                  |
| X2 = Performance appraisal    | .24**               | -.04                | -                     |
| X3 = Compensation             | .11*                | .26**               | .22**                 |
| M = Seeking social support    | -                   | -                   | .18**                 |
| R <sup>2</sup>                | .21                 | .18                 | .20                   |
| Adjusted R <sup>2</sup>       | .20                 | .16                 | .19                   |
| R <sup>2</sup> change         | .19                 | .11                 | .13                   |
| F-change                      | 41.96**             | 22.10**             | 28.78**               |

**Notes:** \* $p < .05$ , \*\* $p < .01$ ; X = HRM practices dimensions; M = Seeking social support; Y = Career satisfaction



## 9. DISCUSSION

This research has examined the influences of HRM practices on career strategy and career satisfaction. With regard to career strategy, this study has found that all dimensions of HRM practices (training and development, performance appraisal and compensation) were predictors of seeking social support. The analysis indicated that insurance agents who have a positive perception towards organizational HRM practices (training and development, performance appraisal, and compensation) are more likely to use seeking social support as a strategy to enhance their career satisfaction. Since insurance agents' incomes and performance are determined based on the sales volume achieved, seeking social support should be their dominant strategy. Insurance agents need this strategy to help widen their network of contacts and obtain more business opportunities that can help them maintain good sales performance. Besides, the results also indicated that insurance agents who have high perception towards the availability and effectiveness of the training programs offered by their organization tend to expose themselves to seeking social support strategy, which can assist them in obtaining relevant career information and support. The reason being, during training programs insurance agents can come across numerous individuals with different backgrounds, providing them opportunities to slot themselves into the information network, which might be valuable to their career advancement.

The regression analysis as depicted in Table 2 indicated that insurance agents who have a higher perception of compensation are more likely to express higher level of career satisfaction. In the insurance industry, agents would feel satisfied with their career because compensation is determined by their sales efforts. This signifies that their income or recognition are based on their sales (the higher the sales volume, the greater an agent's compensation) that are compensated fairly as compared to what they have contributed to the job. Therefore, insurance agents will feel satisfied with their career because the amount of compensation obtained mirrors what they feel they deserve to get. Besides, the regression result also revealed that insurance agents who have higher perceptions of training and development programs offered by their organization will be more likely to express higher levels of career satisfaction. Generally, the job tasks for insurance agents require them to have excellent product knowledge, interpersonal skills, marketing and communication skills, as well as guest-contact skills. Hence, the need for formal training and development programs is perceived as a crucial part for insurance agents to increase sales performance and to advance their career in the insurance sector. This is because effective training and development programs can help insurance agents develop a variety of skills and abilities that are critical to their career. Superb knowledge and proficiency in the insurance products will facilitate insurance agents in persuading and convincing customers to buy insurance policies from them, which ultimately will influence their sales performance, and career satisfaction. Although previous studies (Ducharme, Singh & Podolsky, 2005; Poon, 2004; Tsui et al., 1997) indicated that performance appraisal was correlated with career satisfaction, this study found contradictory results. One probable explanation may lie in the fact that insurance organizations have implemented target or result-oriented methods to measure insurance agents' performance. In the insurance sector, insurance agents' performance is being evaluated based on the sales volume generated and the achievement of a personal annual sales target. If insurance agents fail to achieve the personal sales target, they are regarded as underperforming. But, it will not influence the amount of

income they receive. Therefore, insurance agents will perceive no interference on their career satisfaction by the method and criteria used to appraise their job performance. However, they will perceive the amount of compensation, and training and development programs that they received or attended as being a much larger influence.

With regard to the mediating role of seeking social support, the results indicated that the availability and effectiveness of organizational training and development programs perceived by the insurance agents would motivate them to be extensively involved in the strategy of seeking social support, which would eventually lead them to express greater feelings of satisfaction. Insurance agents believe that training and development programs are good platforms for them to obtain useful information and resources for developmental purposes, and thus, they are inspired to develop networks with related individuals within the training session to get support that significantly benefits their career advancement. Similarly, the results (Table 2) also showed that the fairness of organizational compensation policies as perceived by insurance agents would motivate them to be more involved in the strategy of seeking social support, which would eventually lead them to express greater career satisfaction. In the insurance sector, the amount of compensation received by insurance agents is justly rewarded because it is solely based on the sales volume generated. Therefore, networking with customers, friends and superiors were considered as essential actions since they could recommend and offer more sales opportunities to insurance agents. For instance, insurance agents could be recommended by current customers to other potential customers, which could result in an increase of the sales volume. Similarly, superiors could also assign significant tasks to insurance agents who show the capability and intent to take on new responsibilities, which ultimately influences their career satisfaction.

## **10. CONCLUSIONS, IMPLICATIONS AND LIMITATIONS**

It is important to note that results obtained in this study have a few practical implications. The first implication highlights the fact that for insurance agents to achieve career satisfaction, human resource (HR) practitioners in the examined insurance companies should exert more efforts to improve the availability and effectiveness of training and development programs (such as insurance knowledge management, legal and technical aspects of life insurance and financial advice, risk management, sales and marketing strategies, customers' behaviors, and comprehensive financial planning) to help insurance agents develop knowledge, skills and abilities that are vital for increasing their sales performance. Furthermore, additional care should also be taken in designing the training and development programs to suit insurance agents' needs. Most importantly, the types of training and development programs offered must add value to what insurance agents already possess, such as business management and entrepreneurial development, leadership and team building, customer relationship management, e-marketing, and advanced financial product training. In addition to that, the findings of this study also empirically indicated that compensation that takes into account insurance agents' sales efforts (rewards based on the sales volume generated) has successfully contributed towards insurance agents' career satisfaction. The reason being that, insurance agents believe that the compensation (commission, bonuses, benefits, and awards) earned is a true reflection of what they deserve. Hence, HR practitioners should persist with such

compensation methods (rewards based on the sales volume generated) to ensure the compensation received by insurance agents is proportional to their efforts, and maximizes their career satisfaction.

Besides, the present research has several limitations which offer different perspectives for further examination. First, this study only concentrated on agents in the insurance sector, and did not include employees belonging to other industries such as manufacturing, servicing, trading, financing and educational industries. Different results might be obtained if the study also looked at employee career satisfaction in other industries. Therefore, the results of this study could not be generalized to employees in other industries as they might have different work cultures and management policies that might affect employee career satisfaction. Future researchers can widen the scope of investigation by incorporating employees from other industries, and perform comparative studies across different industries. Second, this study only focused on insurance agents located in the Northern region of Malaysia. Since job responsibilities and requirements, rules and regulations, the process of awarding compensation, and the criteria used to evaluate job performance were similar for insurance agents across Malaysia, this study suggests similar future research to be replicated with a larger sample that includes insurance agents from all regions of Malaysia, particularly Sabah and Sarawak. The use of a larger sample helps to generalize the findings of the study.

In summary, the research results have provided support for the key propositions. Most importantly, this study has succeeded in answering all of the research objectives, which aimed at analyzing the empirical link between HRM practices (i.e., training and development, compensation and performance appraisal) and insurance agents' career satisfaction.

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